Bank of America now includes Merrill Lynch. We can go on from there. Wells Fargo now has Wachovia. These things were big. We had this mess. We deregulated. We put the regulators in. We changed laws. Now they are bigger. As the Senator says, their assets are 63 percent of the gross domestic product of this country. Fifteen years ago, they were 17 percent of gross domestic product.

What do we have to do before someone sends the message that these things are too big and that this Congress not pass the buck to the regulators, who did not do the job in the past? Let me just say this. I think the world of our regulators now. I do not think there are people in regulating now who basically believe they should not be regulated.

In 1933, we made a decision that helped us through three generations. What are we doing as Senators on the floor passing legislation based on the fact: I trust my regulators now. Why are we not passing legislation that will work over the next two or three generations—something that will work whether we get a President who believes in the fact that we should have a market or not, whether we have a good regulator or a bad regulator? Why shouldn't the Senate of the United States do its job and basically lay out restrictions of the kind that are in this bill so the regulators have them? Then they can enforce it. They can do the enforcement, which is their job. We should send a clear message to people that this is what we have to do.

Mr. BROWN of Ohio. Exactly. I say to Senator KAUFMAN, you made a point maybe 5 minutes ago that some of the smartest people in the country are working on Wall Street. There is a huge incentive for smart people to go to Wall Street and be creative and invent new financial instruments to stay, in many ways, a step ahead of the regulators, in some sense, a step ahead of the "sheriff," if you will. Those regulators, who are paid probably one-tenth or one-hundredth—regulators are paid decent middle-class salaries that most Americans would be very happy with. But some of these very smart people on Wall Street are paid 100 times, 1,000 times—millions, tens of millions of dollars, and there is a huge incentive for them to figure out how to stay ahead of the regulators.

That is why it is so important that we have strong regulators. We always work to do that, and we have good regulators. It is important that a President appoint people who have the public interest in mind, which Presidents have not always done in the last decade. It is important that we write different rules, and that is exactly what we want to do to keep these banks from being so big.

We had problems with rating agencies that gamed the system. We had problems with mortgage brokers. We had problems with Wall Street. We had problems with people creating these new CDOs and other financial instruments, particularly these so-called synthetic ones that had no real basis in any wealth creation for society, only wealth creation for each other. Ultimately, that does not work for Wall Street. It certainly does not work for our country.

So in summary, as to this legislation that five or six of us are introducing today, we will likely offer it as an amendment in the next week or two. We ask our colleagues to support it. If we are going to deal with too big to fail, we surely want to deal with it on the end if there are banks that are about to fail. But we need to, sort of, ahead of time, in anticipation, deal with it by not letting these banks—no matter how good the regulators are—not letting these banks get too big.

Mr. KAUFMAN. We just have to give the regulators the tools they need to do their job, and the guidelines because we know what these guidelines are. These are not really terribly strict guidelines; they are just to have the ability to stop what is going on now, to get banks back to the size where they can be managed.

As Senator BROWN said, these banks have a competitive advantage because when they are too big to fail, not only do we have to worry about bailing them out, but all their interest rate charges are lower. We know that. The interest rate charges on CDs with these major banks—they get higher interest rates than the other banks, and it is unfair competition for all the other small banks around this country.

As I said in the beginning, this is a very simple proposition: Is the Senate going to do its job to make sure we have in place the ability to keep these banks from being too big to fail and preparing so we never have to get to the resolution authority?

Mr. BROWN of Ohio. If we do what Senator KAUFMAN said, if we do this right, it will take care of this problem so it does not happen in the next two or three generations, the way people in the 1930s did, or if we do not do it right, we are back at this in 5 or 10 or 15 years.

Mr. KAUFMAN. By the way, let me say one thing about that. I am not for overregulation. But can you imagine, if we have another problem, what the regulation would be like then? Do you know what the proposals would be on this floor if, in fact, we have another problem? It would be draconian. It is important for all of us. We all care about our capital markets. One of the things that drive this country and make us great is the capital markets. We want them to be credible and we want them to be fair and we want them to work.

So we want to make sure we do not get faced with this. I think that is exactly what Senator BROWN and I are trying to do. We are trying to do a little bit of prevention here so we never get to that end of the road where we have to get involved in resolution authority.

Mr. BROWN of Ohio. These capital markets which worked so well for many years are not working for local manufacturers, for small businesses today.

Mr. KAUFMAN. Right.

Mr. BROWN of Ohio. I thank Senator KAUFMAN.

Mr. REED (for himself, Mr. LEMIEUX, and Mr. BROWN of Ohio):

S. 3242. A bill to improve teacher quality, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. Mr. President, today I introduce with Senator LEMIEUX and Senator BROWN of Ohio, the Teacher and Principal Improvement Act, to foster the development of highly skilled and effective educators.

We are slated to reauthorize the Elementary and Secondary Education Act—ESEA—this Congress for the first time since 2001. My top priority for reauthorization is to build the capacity of our Nation's schools to enhance the effectiveness of teachers, principals, school librarians, and school leaders.

Decades of research have demonstrated that improving teacher and principal quality as well as greater family involvement are the keys to raising student achievement and turning around struggling schools. Studies have found that more than 50 percentile points of the difference in student academic performance is attributed to teacher quality. The world's top performing education systems invest heavily in supporting and developing teachers. Teachers in top-ranking countries such as Finland and Singapore get 100 hours of fully paid professional development training each year. It is clear that the United States must also increase its investments in our educators to stay academically competitive in an ever-expanding global economy.

Unfortunately, every year across the country thousands of effective teachers leave the profession—many within their first years of teaching. A 2003 study by Richard Ingersoll found that one-third of all new teachers quit after three years. That turnover rate increases to nearly half—one out of every two new teachers hired—after 5 years. A report by the National Commission on Teaching and America's Future also estimated that the nationwide cost of replacing public school teachers who have dropped out of the profession is $7.3 billion annually.

However, research has shown that comprehensive mentoring and induction reduces teacher attrition by as much as half. New teachers need extra support and guidance. As such, our bill would help schools implement the key elements of effective multi-year mentoring and induction for beginning teachers, including rigorous mentor selection; ongoing mentoring with paid release time; training for mentors; and the use of research-based teaching